BRIAN L. HAAS, CPA

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

January 13, 2026

Mayor Tim Mayfield
City of Salesville Sewer Fund
46 Gillispie St.
Salesville, AR 72653

I have performed the procedures listed below with respect to the financial information and state law compliance which were agreed to by the management of the City of Salesville Sewer Fund for the year end December 31, 2024. Management is responsible for maintaining the financial records and complying with the state law. This report is prepared in accordance with Rule 506.1.B of the Arkansas Natural Resource Commission's rules and regulations. This engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings for the City of Salesville Sewer Fund are as follows:

Compiled Financial Information

Cash:

Procedure:

Perform a proof of cash for the year and reconcile year-end bank balances to book balances within 5% or $500, whichever is greater. Also, inspect bank reconciliations.

Finding:

Proof of cash ending balances agreed to book balances within test parameters. All bank reconciliations were timely and adequately performed and documented. One bank account and corresponding reconciliation had an old outstanding item that needed correction. Item was researched and corrected.

Receipts:

Procedure:

Reconcile the deposits per the proof of cash for the year with the deposits per the journal within 5% or $500, whichever is greater.

Finding:
Deposits per proof of cash agreed with receipts journal within test parameters.

Procedure:

Trace 10 customer payments on the accounts receivable sub ledger to deposit and billing documents.

Finding:

No exceptions were found in tracing customer payments from account receivable to deposit and billing records.

Accounts Receivable:

Procedure:

Agree 10 customer billings to the accounts receivable sub ledger, and determine that 5 customer adjustments were properly authorized.

Finding:

Tested billings agreed with accounts receivable ledgers. I tested 5 adjustments. Proper authorization procedure is in place with final approval done by mayor. Good documentation was present for adjustments.

Disbursements:

Procedure:

Agree the disbursements per the proof of cash for the year with the disbursements per the journal within 5% or $500, whichever is greater.

Procedure:

Select 10 disbursements and determine if they were adequately documented.

Finding:

Disbursements tested were adequately documented and authorized.

Property, Plant and Equipment:

Procedure:

Analyze all property, plant and equipment disbursements. Determine that additions and disposals were properly accounted for in the records.

Finding:

No new property and equipment purchases or disposals were made for 2024.

Long-Term Debt:

Procedure:

Analyze long-term debt and verify changes in all balances for the year. Inspect loan balance documentation on hand including outside party amortization schedules and year end reports.

Finding:

Long-term principal and interest payments were made timely and recorded and accounted for properly. Sewer department records reflect account balances that agree with lender records and schedules.

Conclusion:

This report is intended solely for the information and use of the City of Salesville and is not intended to be and should not be used by anyone other than its specified party.

Sincerely,

Brian Haas

Brian L. Haas
Certified Public Accountant

CITY OF SALESVILLE SEWER FUND

46 Gillispie St.
Salesville, AR 72653
(870) 499-5675

STATEMENT OF FINANCIAL POSITION &
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

DECEMBER 31, 2024

* *

BRIAN L. HAAS, CPA
CERTIFIED PUBLIC ACCOUNTANT

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(870) 424-2181

CITY OF SALESVILLE SEWER FUND

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

City of Salesville Sewer Fund
46 Gillispie St.
Salesville, AR 72653

I have compiled the accompanying financial statements of City of Salesville Sewer Fund as of December 31, 2024. I have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principals and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Brian L. Haas
Certified Public Accountant

August 3, 2026

CITY OF SALESVILLE SEWER FUND

STATEMENT OF FINANCIAL POSITION

December 31, 2024

ASSETS

CURRENT ASSETS:	
Cash in Bank (see Other Information)	$ 277,767
Accounts Receivable	-
Total Current Assets	277,767
FIXED ASSETS:	
Sewer System	4,335,900
Accumulated Depreciation	(1,571,771)
Total Fixed Assets	2,764,129
Total Assets	$ 3,041,896

LIABILITIES

CURRENT LIABILITIES:	
Meter Deposit Payable	$ 12,511
Current Maturities of Long-Term Debt	19,880
Total Current Liabilities	32,391
LONG TERM LIABILITIES:	
USDA 03003******748792 01	685,761
Less Current Maturities of Long-Term Debt	(19,880)
Total Long Term Liabilities	665,881
Total Liabilities	698,272
EQUITY:	
Contributed Capital	3,438,900
Fund Balance	(1,095,276)
Total Equity	2,343,624
Total Liabilities & Equity	$ 3,041,896

See accompanying independent accountant's compilation report.

CITY OF SALESVILLE SEWER FUND

REVENUE, EXPENSES AND CHANGES IN NET ASSETS

December 31, 2024

OPERATING REVENUES:	
Sewer Revenue	$ 119,575
Interest	80
Refunds	-
Trash Fees	-
Transfer from Sewer Fund	-
Total Operating Revenues	119,655
OPERATING EXPENSES:	
Bank Charges	529
Chemicals/Chlorine	4,277
Misc.	462
Depreciation Expense	108,398
Equip. Repair/Maint.	1,559
Equip. Maint. Supplies	452
Fuel/Oil	1,585
Interest Exp.	16,538
Membership Dues/Fees	1,051
Misc. Supplies	34
NSF Checks	315
NSF Fees	20
Office Supplies/Equip	1,131
Pipe/Fittings	845
Postage	991
Pumps/Valves/Floats	14,283
Refunds	927
Septic Pumping	16,090
Equipment Repair	60
Tires/Tubes	22
Tools & Equipment	661
Trash Fees	-
One Call	137
Uniforms	-
Utilities-Electric	6,509
Utilities-Gas	861
Wastewater Testing Fee	4,586
Vehicles	464
Total Operating Expenses	182,787
Net Operating Profit (Loss)	(63,132)

CITY OF SALESVILLE SEWER FUND
OTHER INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

1 Cash basis financial information includes demand and savings accounts and certificates of deposits. The following accounts comprise cash in bank as of December 31, 2024:

Revenue	46,661
Operating and Maintenance	(1,175)
Debt Reserve	48,319
Meter Deposit	15,466
Sewer Revenue Bond Fund	158,041
Lawn Mower Savings	10,455
	277,767

2 Long-Term Debt Outstanding at December 31, 2024 is as shown:

USDA 03003******748792 01	685,761
	685,761

Current maturities over the next five (5) years are as follows:

	Principal	Interest
2025	19,880	16,071
2026	20,346	15,605
2027	20,816	15,135
2028	21,282	14,669
2029	21,742	14,209
Thereafter	581,695	179,713
	685,761	255,402